

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2024**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.2024 RM'000	Previous year corresponding quarter 31.03.2023 RM'000	3 months ended 31.03.2024 RM'000	3 months ended 31.03.2023 RM'000
Revenue	38,210	17,419	38,210	17,419
Cost of sales	(33,205)	(12,778)	(33,205)	(12,778)
Gross profit	5,005	4,641	5,005	4,641
Other operating income	158	190	158	190
Operating expenses	(4,308)	(2,210)	(4,308)	(2,210)
Profit from operations	855	2,621	855	2,621
Finance costs	(338)	(4,745)	(338)	(4,745)
Profit/(Loss) before tax (Note 25)	517	(2,124)	517	(2,124)
Tax expenses (Note 19)	(21)	2	(21)	2
Profit/(Loss) for the period	496	(2,122)	496	(2,122)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/ (loss) for the period	496	(2,122)	496	(2,122)
Profit/(loss) after tax and total comprehensive income/(loss) attributable to :				
Owners of the Parent	496	(2,122)	496	(2,122)
<b>EARNING/(LOSS) PER SHARE (Note 30)</b>				
Basic (sen)	0.05	(0.23)	0.05	(0.23)
Diluted (sen)	0.05	(0.23)	0.05	(0.23)

The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION AS AT 31 MARCH 2024

	<b>As at 31.03.2024 RM'000</b>	<b>Audited as at 31.12.2023 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,232	651
Other investments	90	90
Investment properties	95	95
Inventory properties – land held for property development	635,165	634,406
Deferred tax assets	12,322	12,322
	<u>648,904</u>	<u>647,564</u>
<b>CURRENT ASSETS</b>		
Inventory properties – property development costs	498,480	503,854
Inventories	54,140	70,289
Trade and other receivables	173,970	180,944
Contract assets	12,452	14,461
Tax recoverable	5,856	5,786
Short term investments	424	438
Fixed deposits with licensed banks	15,453	16,009
Cash and bank balances	20,687	12,059
	<u>781,462</u>	<u>803,840</u>
<b>TOTAL ASSETS</b>	<b>1,430,366</b>	<b>1,451,404</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	766,884	766,884
Reserves	(27,863)	(28,359)
Shareholders' equity	<u>739,021</u>	<u>738,525</u>
<b>NON-CURRENT LIABILITIES</b>		
Trade payables	27,562	28,050
Other payables	296,413	305,132
Hire purchase	446	-
Deferred tax liabilities	96,463	96,492
Provisions	34,916	34,916
	<u>455,800</u>	<u>464,590</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	108,329	109,610
Redeemable preference shares	2,000	9,500
Hire purchase	132	-
Trade and other payables	89,831	92,789
Contract liabilities	12,578	14,257
Provisions	11,721	11,179
Current tax liabilities	10,954	10,954
	<u>235,545</u>	<u>248,289</u>
<b>TOTAL LIABILITIES</b>	<b>691,345</b>	<b>712,879</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,430,366</b>	<b>1,451,404</b>
Net assets per share (RM)	0.80	0.80

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2024

	<b>Share capital RM'000</b>	<b>(Accumulated losses)/ Retained profits RM'000</b>	<b>Total equity RM'000</b>
<b>Opening balance at 1 January 2024</b>	766,884	(28,359)	738,525
Total comprehensive profit for the period	-	496	496
<b>Closing balance at 31 March 2024</b>	766,884	(27,863)	739,021
<b>Opening balance at 1 January 2023</b>	766,884	(22,055)	744,829
Total comprehensive loss for the period	-	(2,122)	(2,122)
<b>Closing balance at 31 March 2023</b>	766,884	(24,177)	742,707

The above condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
 FOR THE PERIOD ENDED 31 MARCH 2024

	<b>3 months ended 31.03.2024 RM'000</b>	<b>3 months ended 31.03.2023 RM'000</b>
<b>Operating activities</b>		
Profit/(Loss) before tax	517	(2,124)
Adjustment for :		
Depreciation	76	87
Interest expenses	328	4,745
Interest income	(83)	(74)
Operating profit before changes in working capital	838	2,634
Change in trade and other receivables	11,210	8,142
Change in trade and other payables	(10,340)	112
Change in inventories	16,150	8,546
Change in development properties	6,092	(5,104)
<b>Cash flows from operating activities</b>	<b>23,950</b>	<b>14,330</b>
Taxes paid	(143)	(120)
<b>Net cash from operating activities</b>	<b>23,807</b>	<b>13,595</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(52)	(5)
Interest received	82	74
Addition of short-term investments	14	34
<b>Net cash (used in)/from investing activities</b>	<b>44</b>	<b>103</b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIOD ENDED 31 MARCH 2024 (CONT'D)

	<b>3 months ended 31.03.2024 RM'000</b>	<b>3 months ended 31.03.2023 RM'000</b>
<b>Financing Activities</b>		
Repayment to related companies	(3,105)	(1,000)
Withdrawal of pledged deposits	589	-
Drawdown of borrowings	3,822	-
Repayment of borrowings	(7,376)	(14,392)
Interest paid	(1,676)	(615)
Repayment of redeemable preference shares	(7,500)	-
Repayment of obligations under hire purchase	(22)	-
<b>Net cash used in financing activities</b>	<b>(15,268)</b>	<b>(15,392)</b>
Net increase/(decrease) in cash and cash equivalents	8,583	(1,694)
Cash and cash equivalents at beginning of period	3,910	1,967
<b>Cash and cash equivalents at the end of period</b>	<b>12,493</b>	<b>273</b>
Cash and cash equivalents comprise:		
Cash and bank balances	20,687	8,821
Deposits with licensed banks	15,453	15,717
	36,140	24,538
Less: Deposits with licensed banks pledged for banking facilities	(15,318)	(15,585)
Less : Bank overdraft	(8,329)	(8,092)
	<b>12,493</b>	<b>273</b>

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**1. BASIS OF PREPARATION**

The condensed consolidated interim financial statements (“Condensed Report”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and has also been prepared on a historical basis.

This condensed report should be read in conjunction with the audited financial statements for the year ended 31 December 2023. These explanatory notes attached to this condensed report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

**2. CHANGES IN ACCOUNTING POLICIES**

**2.1 Changes in accounting policies arising from adoption of Standards, Amendments and interpretations**

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2023 except for the adoption of the following new and amendments to MFRSs:

Amendments to MFRS 101: Presentation of Financial Statements – Non-current Liabilities with Covenants

Amendments to MFRS 16: Leases – Lease Liability in a Sale and Leaseback

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the abovementioned new and amendments to MFRS do not have material impact on the financial statements of the Group upon their initial application.

**2.2 Standards, amendments and interpretations issued but not yet effective**

The following are new standards, amendments and interpretations that have been issued by MASB but have not been early adopted by the Group:

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 121: Lack of Exchangeability

The Group will adopt the above new standards, amendments and interpretations when they become effective in the respective financial periods. These new and amendments to MFRS are not expected to have any material impact to the financial statements of the Group upon their initial application.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.3 Significant accounting judgement and estimates**

(a) Revenue and Cost Recognition of Property Development Activities

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.3 Significant accounting judgement and estimates (cont'd)**

(b) Revenue recognition on construction contract

Revenue from construction contract is accounted for by the stage of completion method.

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as contract assets. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as contract liabilities.



NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2023**

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2023 was not subject to any qualification.

**4. SEASONAL OR CYCLICAL FACTORS**

The Group's business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

**5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter and financial period under review because of their nature, size, or incidence.

**6. CHANGES IN ESTIMATES**

There were no changes in estimates that may have a material effect in the current quarter results.

**7. DEBT AND EQUITY SECURITIES**

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period to-date under review.

**8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT**

The primary objective of the Group's capital management is to ensure that it maintains a good credit rating and healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in line with changes in economic conditions. In order to maintain the optimal capital structure, the Group may, from time to time, adjust dividend payments to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT (Cont'd)**

The gearing ratios as at 31 March 2024 and 31 December 2023, which are within the Group's objectives for capital management, are as follows:-

	<b>31.03.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Borrowings	108,329	109,610
Redeemable preference shares	2,000	9,500
Hire purchase	578	-
Trade and other payables	413,806	425,971
	<u>524,713</u>	<u>545,081</u>
Less: Cash and bank balances	(20,687)	(12,059)
Fixed deposits with licensed banks	(15,453)	(16,009)
Short-term investments	(424)	(438)
Net debt	<u>488,149</u>	<u>516,575</u>
Equity	<u>739,021</u>	<u>738,525</u>
Total capital	<u>739,021</u>	<u>738,525</u>
<b>Capital and net debt</b>	<b>1,227,170</b>	<b>1,255,100</b>
<b>Gearing ratio</b>	<b>39.78%</b>	<b>41.16%</b>

The decrease in gearing ratio from 41.16% to 39.78% is mainly due to repayment of payables and also redemption of redeemable preference shares during the period under review.

The details of the drawdown and the repayment of bank borrowings in the current quarter and to-date are as follows:

	<b>Current year quarter</b>	<b>3 months</b>
	<b>31.03.2024</b>	<b>cumulative to date</b>
	<b>RM'000</b>	<b>31.03.2024</b>
		<b>RM'000</b>
a) Repayment of bank borrowings	(7,376)	(7,376)
b) Repayment of obligations under hire purchase	(22)	(22)
b) Change in bank overdraft	46	46

**9. DIVIDENDS**

No dividends were recommended, declared or paid during the financial period ended 31 March 2024.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2024

**10. VALUATION OF INVESTMENT PROPERTIES**

An independent valuation for investment properties was carried out by Raine & Horne during the previous financial year ended 31 December 2023 and there was no fair value changes arose from the valuation to be recognised in the statements of profit or loss for the previous financial year ended 31 December 2023.

**11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There are no material events subsequent to the end of the current quarter that have not been reflected in the quarterly financial statements.

**12. GROUP COMPOSITION**

There are no material changes in the composition of the Group during the financial quarter under review.

**13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

Except for as disclosed in Note 24(a) and as disclosed below, the Group has no other contingent liabilities :

	<b>31.03.2024</b>	<b>31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	8,329	9,610
Performance bond issued by subsidiaries involved in construction activities	25,150	25,150

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**14. OPERATING SEGMENTS**

The following tables provide an analysis of the Group's revenue, results, assets and liabilities by business segments:-

<b>As at 31 March 2024 RM'000</b>	Property Development	Construction	Elimination	Consolidated
<b>Revenue</b>				
Revenue	38,266	(56)	-	38,210
Other income	127	30	-	157
Unallocated other income	-	-	1	1
	<b>38,393</b>	<b>(26)</b>	<b>1</b>	<b>38,368</b>
<b>RESULT</b>				
Segment results	2,496	(1,019)	(89)	1,388
Unallocated corporate expenses				(533)
Finance costs				(338)
<b>Profit before tax</b>				<b>517</b>

<b>As at 31 March 2023 RM'000</b>	Property Development	Construction	Elimination	Consolidated
<b>Revenue</b>				
Revenue	17,419	-	-	17,419
Other income	162	27	-	189
Unallocated other income	-	-	1	1
	<b>17,581</b>	<b>27</b>	<b>1</b>	<b>17,609</b>
<b>RESULT</b>				
Segment results	3,168	(246)	(8)	2,914
Unallocated corporate expenses				(293)
Finance costs				(4,745)
<b>Loss before tax</b>				<b>(2,124)</b>

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

14. OPERATING SEGMENTS (cont'd)

**ASSETS AND LIABILITIES**

As at 31 March 2024 RM'000	Property Development	Construction	Elimination	Consolidated
<b><u>ASSETS</u></b>				
Segment assets	1,314,055	265,626	(199,021)	1,380,660
Investment in associate				-
Investment properties				95
Available-for-sale investments				90
Unallocated corporate assets				49,521
<b>Consolidated total assets</b>				<b>1,430,366</b>
<b><u>LIABILITIES</u></b>				
Segment liabilities	(470,503)	(627,400)	409,322	(688,581)
Unallocated corporate liabilities				(2,764)
<b>Consolidated total liabilities</b>				<b>(691,345)</b>

As at 31 March 2023 RM'000	Property Development	Construction	Elimination	Consolidated
<b><u>ASSETS</u></b>				
Segment assets	1,333,587	298,607	(526,961)	1,105,233
Investment in associate				-
Investment properties				95
Available-for-sale investments				90
Unallocated corporate assets				343,593
<b>Consolidated total assets</b>				<b>1,449,011</b>
<b><u>LIABILITIES</u></b>				
Segment liabilities	(436,449)	(608,693)	442,617	(602,525)
Unallocated corporate liabilities				(103,779)
<b>Consolidated total liabilities</b>				<b>(706,304)</b>

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**15. RELATED PARTY TRANSACTIONS**

Significant related party transactions are as follows:

	3 months ended		3 months ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	263	1,596	263	1,596
Rental and maintenance related services from a company of which certain directors of the Company have interest	9	9	9	9

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**16. REVIEW OF PERFORMANCE**

(i) Financial review for current quarter and financial period to-date

	3 months quarter ended		Changes	
	31.03.2024 (RM'000)	31.03.2023 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	38,266	17,419	20,847	119.68
Constructions	(56)	-	(56)	100.00
	<b>38,210</b>	<b>17,419</b>	20,791	119.36
Profit from operations	855	2,621	(1,766)	(67.38)
Finance costs	(338)	(4,745)	4,407	92.88
<b>Profit/(loss) before tax</b>	<b>517</b>	<b>(2,124)</b>	2,641	124.34

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**16. REVIEW OF PERFORMANCE (cont'd)**

- (i) Financial review for current quarter and financial period to-date
  - a) Performance review for current quarter against the same quarter in the preceding year (Q1 2024 vs Q1 2023)

For the current quarter under review, the Group recorded revenue of RM38.21 million, an improvement of RM20.79 million compared to the quarter ended 31 March 2023 of RM17.42 million. With the improved revenue, a profit before tax of RM517,000 for the quarter ended 31 March 2024 was recorded, compared to a loss before tax of RM2.12 million for the quarter ended 31 March 2023.

The higher revenue for the current quarter was mainly driven by the property development segment, whereby higher work progress was achieved for Danga Sutera Semi-Detached Phase 3 Project and improved property unit sales for its completed projects.

The performance from each business segment is set out below:

**Property Development**

Revenue for the current quarter of RM38.27 million has increased by RM20.85 million as compared to the quarter ended 31 March 2023 of RM17.42 million. The higher revenue for current quarter was mainly derived from the sales achieved for its completed projects of Botanika and Danga Sutera Semi-Detached Phase 3 project.

**Construction**

For the current quarter ended 31 March 2024, a negative revenue of RM56,000 was recognised under construction sector, whereas no revenue was recognised for the same quarter in the preceding year. The reason for negative revenue for current quarter is mainly due to the finalisation of accounts on a construction project.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**16. REVIEW OF PERFORMANCE (cont'd)**

(ii) Financial review for current quarter compared with immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
	31.03.2024 (RM'000)	31.12.2023 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	38,266	40,857	(2,591)	(6.34)
Constructions	(56)	44	(100)	(227.27)
	<b>38,210</b>	<b>40,901</b>	(2,691)	(6.58)
Profit from operations	855	1,677	(822)	(49.02)
Finance costs	(338)	(505)	197	39.01
<b>Profit before tax</b>	<b>517</b>	<b>1,172</b>	(655)	(55.89)

For the current quarter under review, the Group recorded a lower revenue of RM38.21 million and a profit before tax of RM517,000, compared to the immediate preceding quarter's revenue and profit before tax of RM40.90 million and RM1.17 million, respectively.

The revenue recorded in both current and immediate preceding quarter was attributed to the sales of Botanika project and semi-detached houses in the Danga Sutera project. The sales volume for current quarter has slightly decreased compared to the immediate preceding quarter, leading to the decrease in revenue. For construction sector, the negative revenue is mainly due to the finalisation of account for a construction project.

In line with the decrease in revenue, the Group has recorded a lower profit before tax of RM517,000 for the current quarter, a decrease of RM655,000 compared to the immediate preceding quarter's profit before tax of RM1.17 million.

**17. PROSPECTS**

As a sustainable and premier property developer with our focus on Iskandar Malaysia, we are cautiously optimistic about the economic landscape of Iskandar Malaysia in the coming year. The recently announced Johor-Singapore-Special Economic Zone (JS-SEZ) and the potential major railway infrastructure projects in the southern region, particularly on the Autonomous Rapid Transit ("ART") and the ongoing Johor Bahru-Singapore Rapid Transit System ("RTS") projects, are expected to be catalytic and crucial drivers in rejuvenating the property market in Iskandar Malaysia.



NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
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**17. PROSPECTS (cont'd)**

The factors are also expected to improve confidence and perception among property buyers regarding the long-term growth prospects in Johor property market. However, property developers are adopting a wait-and-see approach in the first half of 2024, observing market responses due to anticipated increases in property prices stemming from hikes in building material costs.

Nevertheless, our Group, a prominent player in property development, has been diligently overseeing the timing and costing strategies of its project launches. We have demonstrated resilience through strategic acquisitions of valuable land banks to ensure a consistent pipeline of development opportunities.

Barring any unforeseen circumstances, our revenue and performance for the financial year ending 31 December 2024 are expected to be derived from property sales in Taman Danga Sutera as well as the completed project, Botanika. The Group will continue to monitor the market situation and remains optimistic about the prospects of its upcoming new property development launch given its strategic location, attractive pricing and appealing product features.

**18. PROFIT FORECAST**

The Group has not provided any profit forecast in a public document.

**19. TAXATION**

	Quarter ended		3 months cumulative to date	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	(268)	-	(268)	-
- Prior year	218	-	218	-
Deferred tax	29	2	29	2
	<u>(21)</u>	<u>2</u>	<u>(21)</u>	<u>2</u>

The effective tax rate is not reflective of the statutory tax rate principally due to non-deductibility of certain expenses for tax purposes and losses incurred by certain subsidiaries which are not available to set off against taxable profits in other subsidiaries.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**20. UNQUOTED INVESTMENTS AND PROPERTIES**

There were no purchases or sales of unquoted investments and properties for the current quarter and financial period-to-date.

**21. QUOTED INVESTMENTS**

There were no purchases or sales of quoted securities for the current quarter and financial period-to-date.

There were no investments in quoted securities as at the end of the current quarter.

**22. STATUS OF CORPORATE PROPOSALS**

Save for the following, there are no other corporate proposals announced but not completed as at 30 May 2024, being the last practicable date from the date of the issuance of this report.

On 27 September 2023, the Company received a letter dated the same day from Tan Sri Dato' Lim Kang Hoo ("TSDLKH"), being the major shareholder of the Company, requesting the Company to consider participating in a reorganisation, rationalisation and merger proposal comprising, among others, the proposed merger of the properties and assets of Iskandar Waterfront Holdings Sdn Bhd ("IWH") and the Company under a single entity through the acquisition by the Company of the entire issued share capital of all the existing direct subsidiaries of IWH ("Proposal").

Following thereto, the Board of Directors of the Company ("Board") had on 26 April 2024 announced that the Company has sought mutual agreement from TSDLKH for an extension of 3 months commencing from 28 April 2024 to 27 July 2024, with an automatic extension of additional 3 months. This extension is to furnish more time to the Company to assess, evaluate and deliberate the Proposal in detail and to commence discussions and negotiations on the terms of the binding heads of agreement or its equivalent between the parties.

For details, please refer to the announcement dated 27 September 2023, 27 October 2023 and 26 April 2024.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
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**23. BORROWINGS AND DEBT EQUITIES**

Details of the Group's borrowings (all denominated in Malaysian currency) as at 31 March 2024 are as follows:

	<b>Current RM'000</b>	<b>Non-current RM'000</b>	<b>Total RM'000</b>
<b>Secured</b>			
Bridging loans – Note 1	-	-	-
Revolving credit – Note 2	100,000	-	100,000
Hire purchase	132	446	578
Bank overdraft	8,329	-	8,329
<b>Total</b>	<u>108,461</u>	<u>446</u>	<u>108,907</u>

Note 1 : Bridging loans are for the development properties. The loans were repaid through redemption and cash.

Note 2 : Revolving credit facility is for working capital.

**24. MATERIAL LITIGATION**

**(A) Johor Bahru High Court Summons No. JA-22NCVC-149-11/2020**

On 3 November 2020, the Plaintiff commenced a Writ action against the Company ("First Defendant") and its subsidiary, Tebrau Bay Constructions Sdn Bhd ("Second Defendant") in the Johor Bahru High Court ("High Court ") for, among others, continuously trespassing the Plaintiff's right of way ("ROW") and causing damage to one of the Submarine Cable 230 kV Plentong – Woodlands Avenue 8 No. 1 and No. 2 ("Submarine Cables") by carrying out reclamation works near the Submarine Cables. Another subsidiary, Tebrau Bay Sdn Bhd was included in the suit as a Third Defendant on 15 December 2021.

Essentially, the Plaintiff is seeking for the following main reliefs against the Defendants:

- (i) Declaration that the Defendants and/or their employees and/or their agents and/or their nominees have trespassed and continuously trespassed the Plaintiff's ROW;
- (ii) Damages of RM 76,564,759.77; and
- (iii) Damages on economic losses, inconvenience, hardship and distress.

In view of the above, the Group has appointed a counsel to defend the claim and made an application to strike out the Plaintiff's suit. The Group's defence, amongst others, is that at all material times, the reclamation works were carried out by independent subcontractors and not the Defendants.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
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**24. MATERIAL LITIGATION (cont'd)**

**(A) Johor Bahru High Court Summons No. JA-22NCVC-149-11/2020 (cont'd)**

Further, the Plaintiff does not provided any evidences on the nature, cause and specification of the alleged damage to the Submarine Cables.

The hearing for the 1<sup>st</sup> and 2<sup>nd</sup> Defendant's discovery and interrogatories applications was initially scheduled to be heard on 21 April 2024 and has been adjourned to 1 July 2024 due to unforeseen circumstances as informed by the Court.

Accordingly, the details of the claim shall be part of contingent liability disclosure.

**(B) Johor Bahru High Court Summons No. JA-21NCvC-13/03/2022**

On 29 March 2022, Tebrau Bay Sdn Bhd ("TBSB") was served with a Writ of Summon and Statement of Claim from Inland Revenue Board of Malaysia ("IRB"), in respect of unpaid income taxes to RM10.83 million plus 5% interest per annum on the alleged unpaid income taxes, costs and other reliefs as the Honourable Court deems fit and proper to grant.

On 8 January 2024, the Court has made the following decision in relation to the hearing for TBSB's appeal against the High Court's decision dated 13 September 2022:

- (a) allow for TBSB's appeal and set aside the High Court's decision dated 13 September 2022 on Summary Judgement;
- (b) this matter is to be remitted back to High Court and a case management has been fixed on 22 January 2024.

Following the Hearing of TBSB's appeal against the High Court's decision dated 13 September 2022 where this matter is to be remitted back to High Court, the High Court has directed the parties to amend the pleadings and gave the following directions:

- (a) The next Case Management is fixed on 27 June 2024; and
- (b) The Trial dates is fixed from 6 July 2025 to 9 July 2025.

The suit is not expected to have any signification operational or financial impact to the Group as the said amount has already been fully provided in the prior financial statements except for any additional costs or interests granted (if any).

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
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**25. PROFIT/(LOSS) BEFORE TAX**

The following amounts have been included in arriving at profit/(loss) before tax:

	Quarter ended		3 months cumulative to date	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Depreciation	76	87	76	87
Interest income	(83)	(74)	(83)	(74)
Interest expenses	338	4,745	338	4,745
Other income	(75)	(116)	(75)	(116)

Other than as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Malaysia Listing Requirement are not applicable.

**26. CAPITAL COMMITMENTS**

There are no material capital commitments as at 31 March 2024 to be disclosed except for the following:

	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	-	722
- Investment properties	2,826	-
	<u>2,826</u>	<u>722</u>

**27. EVENTS AFTER REPORTING PERIOD**

There are no material events subsequent to the end of the current quarter.

**28. DERIVATIVES**

- There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 31 March 2024; and
- The Group has not entered into any type of derivatives in the previous financial period under review.

**29. DIVIDEND PAYABLE**

No dividend has been declared for the financial period ended 31 March 2024 (31 December 2023: RM Nil).

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2024

**30. EARNINGS/(LOSS) PER SHARE**

The basic and diluted earnings/(loss) per share has been calculated by dividing the Group's profit/(loss) for the period attributable to owners of the Company by weighted average number of shares in issue. The weighted number of shares in issue is calculated as follows:

	Quarter ended		3 months cumulative to date	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit/(loss) for the period attributable to owners of the Company (RM'000)	496	(2,122)	496	(2,122)
Weighted average number of ordinary shares for earnings per share	921,128	921,128	921,128	921,128
Basic earnings/(loss) per share (sen)	0.05	(0.23)	0.05	(0.23)
Diluted earnings/(loss) per share (sen)	0.05	(0.23)	0.05	(0.23)

**31. STATUS OF JOINT VENTURE PROJECT**

Following is the status of the existing joint venture projects as at 31 March 2024 :

	Paradise Realty Sdn. Bhd.	Greenland Tebrau Sdn. Bhd. (Lot 1A)
<u>Development Status</u>		
Total land area	20.324 acres	11.013 acres
% land under development	100%	100%
% of development completed	49.96%	-
% of development not yet completed	50.04%	100%

**32. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 May 2024.